10999

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 10999

FINANCE

Consolidation and Rescheduling of Certain Debts

Agreement Between the
UNITED STATES OF AMERICA
and JAMAICA

Signed at Washington November 8, 1984

S9.10:

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NOTE BY THE DEPARTMENT OF STATE

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JAMAICA

Finance: Consolidation and Rescheduling of Certain Debts

Agreement signed at Washington November 8, 1984;
Entered into force December 13, 1984.

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND JAMAICA
REGARDING THE CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY OR INSURED
BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the "United States") and Jamaica agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of Jamaica's debts, signed at Paris on July 16, 1984, by representatives of certain nations, including the United States, and agreed to by the representative of Jamaica, hereinafter referred to as the "Minute", the United States and Jamaica agree to consolidate and reschedule certain Jamaican payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its agencies, as provided for in this Agreement.

2. This Agreement shall be implemented by separate agreements (the "Implementing Agreements"), between Jamaica and the United States with respect to PL-480 agreements, which are administered by the United States Department of Agriculture, and between Jamaica and each of the following United States agencies: the Agency for International Development, the United States Export-Import Bank, the Commodity Credit Corporation, and the Department of Defense. The Department of Defense will include in its Implementing Agreement amounts which it will pay the Federal Financing Bank pursuant to contracts of guaranty covering contracts between the Federal Financing Bank and Jamaica.

ARTICLE II

Definitions

1. "Contracts" means those agreements or other financial arrangements which have United States dollar-denominated maturities falling due during the Consolidation Period under:

(a) Commercial credits guaranteed or insured by the United States or its Agencies, which credits had original maturities of more than one year and which were extended pursuant to an agreement concluded before October 1, 1983.

(b) Loans and PL-480 credits from the United States Government or its Agencies which had original maturities of more than one year and which were extended pursuant to an agreement concluded before October 1, 1983.

(c) "Contracts" do not include agreements or financial arrangements which have maturities falling due under credits guaranteed, insured or extended by the United States or its Agencies to private sector borrowers in Jamaica where those Contracts were not guaranteed by Jamaica.

(d) A table listing the relevant Contracts to be included under the rescheduling is attached hereto as Annex A.

2. "Consolidation Period" means the period from January 1, 1984, through March 31, 1985, inclusive.

3. "Consolidated Debt" means:

(a) 100 percent of the unpaid principal and fees with respect to the Contracts falling due during the Consolidation Period;

(b) 92 percent of the unpaid interest due the Agency for International Development with respect to the Contracts falling due during the Consolidation Period; and

(c) 50 percent of unpaid interest with respect to the Contracts falling due during the Consolidation Period, other than Contracts under which interest is due to the Agency for International Development.

(d) It is understood that for Consolidated Debt which is guaranteed or insured by a United States Government Agency, this Agreement will apply only to that portion of such payments of principal and interest which is covered by an assurance agreement or payments guarantee with such Agency.

4. "Non-consolidated Debt" means, with respect to the Contracts falling due during the Consolidation Period, eight percent of the unpaid interest due the Agency for International Development and 50 percent of all other unpaid interest.

5. "Principal Arrears" means principal with respect to the Contracts which were due as of December 31, 1983, and unpaid.

6. "Interest Arrears" means interest with respect to the Contracts which were due as of December 31, 1983, and unpaid.

7. "Interest" means interest accruing on or after January 1, 1984, on Consolidated Debt, Principal Arrears and Interest Arrears. Interest is payable in accordance with the terms of this Agreement and on any due and unpaid installments of Interest accruing thereon. Interest shall begin to accrue at the rates set forth in this Agreement on the relevant due dates for Consolidated Debt and on January 1, 1984, for Principal Arrears and Interest Arrears, and shall continue to accrue on the outstanding balance thereof, until such outstanding balance is repaid in full. "Additional Interest" shall begin to accrue at the rates set forth in the Implementing Agreements on due but unpaid installments of Consolidated Debt,

Non-consolidated Debt, Principal Arrears and Interest Arrears, on the respective due dates as established by this Agreement and the Implementing Agreements, and shall continue to accrue until such amounts are repaid in full.

8. "Agencies" means the Agency for International Development, the United States Export Import Bank, the Commodity Credit Corporation and the Department of Defense.

ARTICLE III

Terms and Conditions of Payment

1. Jamaica agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Debt, which amounts to approximately $86.3 million, shall be repaid in 10 equal and consecutive semi-annual installments of approximately $8.63 million each, payable on February 15 and August 15, commencing on February 15, 1989, and ending on August 15, 1993.

(b) The rate of Interest on Consolidated Debt shall be as follows for the following Agencies:

(i) 4.0 percent per year for the United States with respect to PL-480 agreements;

(ii) For the Commodity Credit Corporation the rate of Interest on Consolidated Debt shall be determined on an annual basis and will be based on the cost of borrowing by the Corporation. For Interest accruing in calendar year 1984, the annual rate shall be 12 percent. For Interest accruing in subsequent years, the Commodity Credit Corporation shall notify Jamaica of the appropriate rate no more than thirty days after the beginning of such year;

(iii) 13.343 percent per year for the Department of Defense;

(iv) For the Export-Import Bank of the United States the rate of Interest on Consolidated Debt shall be Eximbank's cost for new medium-term borrowing plus one half of one percent. For Interest accruing during the period January 1, 1984, to June 30, 1984, the annual rate shall be 11.986 percent. For

Interest accruing during the period July 1, 1984, to February 15, 1985, the annual rate shall be 14.213 percent. For each subsequent six-month period, the Export-Import Bank of the United States shall notify Jamaica of the appropriate rate prior to the beginning of such six month period;

(v) 3.0 percent per year for the Agency for International Development, and

(c) All Interest payable with respect to the Consolidated Debt shall be paid semi-annually on February 15 and August 15 of each year, commencing on February 15, 1985.

(d) A table summarizing the amounts of the Consolidated Debt owed to the United States and its Agencies is attached hereto as Annex B.

2. (a) Jamaica agrees to pay the Non-consolidated Debt according to the terms of the original contracts. All payments of Non-consolidated Debt already due and not paid will be paid as soon as possible and in any case no later than October 31, 1984.

(b) A table summarizing the amounts of Non-consolidated Debt owed to the United States Government or its Agencies is attached hereto as Annex C.

3. (a) Jamaica agrees to repay the Principal Arrears which amounts to approximately $22.7 million in five equal annual installments of approximately $4.5 million each, payable on August 15 of each year, commencing on August 15, 1985, and ending on August 15, 1989.

(b) The rates of Interest on Principal Arrears shall be the same as the rates specified in Article III, Paragraph 1(b), of this Agreement.

(c) All Interest with respect to the Principal Arrears shall be paid semi-annually on August 15 and February 15 of each year commencing on February 15, 1985.

(d) A table summarizing the amounts of the Principal Arrears owed to the United States and its Agencies is attached as Annex D.

4. (a) Jamaica agrees to pay the Interest Arrears which amounts to approximately $10.5 million two equal installments of approximately $5.25 million each, payable on October 31, 1984, and March 31, 1985.

(b) The rates of Interest on Interest Arrears shall be the same as the rates specified in Article III, Paragraph 1(b), of this Agreement.

(c) All Interest with respect to the Interest Arrears shall be paid on October 31 and March 31.

(d) A table summarizing the amounts of the Interest Arrears owed to the United States and its Agencies is attached as Annex E.

5. It is understood that adjustments mutually agreed may be made, as necessary, in the amounts of Consolidated Debt, Non-consolidated Debt, Interest Arrears and Principal Arrears set out in the annexes hereto. Jamaica and the United States shall endeavor to complete reconciliation of such amounts as soon as possible with specific dates to be addressed in the individual Implementing Agreements. However, the necessity to make adjustments in such amounts shall not affect the validity of this Agreement.

ARTICLE IV

General Provisions

1. Jamaica agrees to grant the United States treatment and terms no less favorable than that which may be accorded to any other creditor country or its agencies for the rescheduling or refinancing of debts covered by the Minute.

2. Except as they may be modified by the Agreement or the subsequent Implementing Agreements, all terms of the Contracts remain in full force and effect.

3. Jamaica agrees to pay all debt service due and not paid, which is owed to or guaranteed by the United States Government or its agencies, but which is not covered by this Agreement as soon as possible, and in any case not later than October 31, 1984.

ARTICLE V

Entry into Force

1. This agreement shall enter into force following signature of the Agreement and receipt by Jamaica of written notice from the United States Government that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.[1]

Done in Washington, D.C. in duplicate in English, this 8th day of November, 1984.

[2]

FOR THE UNITED STATES OF AMERICA

FOR JAMAICA

[3]

1 Dec. 13, 1984.
2 Elinor Constable.
3 Edward Seaga.

Annex A
Contracts Subject to Rescheduling

Agency for International Development
Loan Number

523-H-004	532-K-020	532-L-007	532-T-012	U-023
K-011	022	008	013	V-024A
014	L-001	M-001	013A	W-016
017	005	002	019	016A
018	006	T-019	U-015	

EXIM Bank
Loan Number

2618	4481	5630	and various financial
2680	4481-A	5692	guarantees and medium
2680A	4871-B	5804	term bank guarantees and
3784	4871-NE-C	6794	insurance

PL-480
Loan Number

10-11-73	8-8-77	2-6-81	2-24-83
4-16-75	8-2-78	4-30-82	
9-30-76	2-8-80		

Commodity Credit Corporation
Credit Number

various CCC guarantees

DOD
Loan Number

811 G (JM-1) 2/27/81
21 G(JM-2) 2/11/82

Annex B
Summary of Consolidated Debt
(thousands of dollars)

AID	8,188
Department of Defense	223
EXIM	25,955
CCC	45,714
PL-480	6216
Total	86,296

Annex C
Summary of Non-consolidated Debt
(thousands of dollars)

AID	580
Department of Defense	223
EXIM	3774
CCC	2850
PL-480	1332
Total	8759

Annex D
Summary of Principal Arrears
(thousands of dollars)

AID	621
Department of Defense	0
EXIM	18,650
CCC	0
PL-480	3,387
Total	22,658

Annex E
Summary of Interest Arrears
in thousands of dollars

AID	1,687
Department of Defense	59
EXIM	6,975
CCC	0
PL-480	1,764
Total	10,485

Data are rounded and subject to revision per Article III, paragraph 4.